

U.S. Department  
of Transportation

United States  
Coast Guard



Commander (moc)  
Eighth Coast Guard District  
Hale Boggs Federal Bldg.

501 Magazine Street  
Room 1341  
New Orleans, LA 70130-3396  
Phone: (504) 589-6271  
Fax: (504) 589-4999

16711  
8 August 1997

From: Commander, Eighth Coast Guard District  
To: Distribution

Subj: APPLICABILITY OF SUBCHAPTER "L" TO EXISTING VESSELS

1. Enclosure (1) is forwarded for your information. Please direct questions on this matter to me at (504) 589-6271.

  
W. H. DAUGHDRILL  
By direction

Encl: (1) COMDT (G-MOC-2) ltr 16711/OSV-I dtd 24 July 1997

Dist: All Eighth District Gulf Region MSOs, MSU and MSDs

U.S. Department  
of Transportation

United States  
Coast Guard



Commandant  
United States Coast Guard

13:06  
12:06  
2100 Second Street, S.W.  
Washington, DC 20593-0001  
Staff Symbol: G-MOC-2  
Phone: (202) 267-1454  
AX: (202) 267-4394

16711/OSV-I

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md	✓	
maa		22
moc	✓	
moc-1		
moc-2		
moc-3		
mor		
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mov/maa		
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moa		
ssc		
ssr		

Mr. Robert J. Alario  
President  
Offshore Marine Service Association  
990 N. Corporate Drive, Suite 210  
Harahan, LA 70123

Dear Mr. Alario:

This letter is in response to your letter to Captain Mike Rosecrans of the Marine Safety Center dated November 14, 1996, regarding the applicability of 46 CFR Subchapter L to existing vessels which had been previously certificated as offshore supply vessels (OSVs). Since this issue has broad applicability, Captain Rosecrans forwarded your letter to this office in order that we may establish a consistent national policy.

In October 1996, the Eighth Coast Guard District Commander (m) issued a policy letter on the recertification of oceanographic research vessels returning to OSV service under 46 CFR Subchapter I, vice 46 CFR Subchapter L [the *interim final rule* (IFR)]. As verbally conveyed by Lieutenant Commander Stephen Kantz of my staff, any existing vessel meeting criteria similar to that listed in the Eighth District letter should be acceptable for recertification under 46 CFR Subchapter I. To clarify this policy, an amendment to the Marine Safety Manual (MSM) is attached. It will be incorporated into a future revision of the MSM. It expands the District's policy by allowing any vessel previously inspected as an OSV under Subchapter I to return to OSV service under the inspection requirements of Subchapter I for the life of the vessel. Likewise, OSVs previously inspected under 46 CFR Subchapter T may also be recertificated under Subchapter T. This grandfathering provision shall remain available to the vessel, provided there are no alterations, or changes in route or service, which are determined to increase the hazards to which it might be subjected. This policy is consistent with both the Subchapter L *notice of proposed rulemaking* preamble text addressing previously inspected vessels and prior to that, the provisions of Navigation and Vessel Inspection Circular 8-91 (NVIC 8-91). Making reference to the regulatory project which became Subchapter L, NVIC 8-91 stated that: "These rules, once promulgated, will apply to new vessels."

This grandfathering provision does not relieve the vessel from meeting Subchapter I or T requirements which would have been required had the vessel remained in OSV service. For example, another interim rule, 46 CFR part 30 et al. [61 FR 25272], commonly referred to as Subchapter W, implemented lifesaving equipment and arrangement requirements which apply to all U.S. flag OSVs.

## SUBJ: RESPONSE TO OMSA REGARDING PREVIOUSLY INSPECTED OSVs

In cases where existing grandfathered OSVs undergo alterations or upgrades to the equipment or systems which do not constitute a major conversion, the alteration or upgraded system or equipment will be required to comply with the pertinent regulations of 46 CFR Subchapter L.

Regarding previously inspected OSVs which change, or have changed, to freight vessel service under Subchapter I, the Coast Guard has held the position that this change in service alone does not equate to a change in vessel type for the purposes of a major conversion determination under 46 USC 2101(14a). Here, the term previously inspected OSVs refers to vessels contracted for prior to March 15, 1996, and which had been certificated under Subchapter I. However, the converse is not true. A certificated vessel in freight ship service which had been contracted for prior to March 15, 1996, and had not been previously certificated as an OSV, which changes to OSV service would be subject to an initial inspection under 46 CFR Subchapter L. Generally, an OSV is considered a freight ship engaged in a unique segment of the freight for hire business - support of offshore mineral and oil exploitation. However, the stability and design requirements of an OSV certificated under Subchapter L are more stringent and complex in comparison to those for a freight ship certificated under Subchapter I. Similarly, a vessel certificated as a small passenger vessel under Subchapter T (not an OSV under T) which changes service to OSV is considered changing vessel type and would be subject to an initial inspection under 46 CFR Subchapter L as a new OSV. Consequently, other existing vessels which had not been previously inspected for OSV service, will be required to comply with Subchapter L as new OSVs.

In response to the situation with the *MV STRONG ICELANDER*, since this vessel had been previously inspected as an OSV under Subchapter I, recertification as an OSV under Subchapter I is available for the life of the vessel provided the vessel was not altered as previously discussed.

The final rule for Subchapter L is expected to be published shortly. Hopefully, this letter clarifies the applicability of these regulations to existing vessels and gives your membership assurance regarding the grandfathering of previously inspected OSVs.

Sincerely,



J. E. SCHRINNER

Captain, U.S. Coast Guard

Chief, Office of Compliance

By direction of the Commandant

Encl: (1) Marine Safety Manual Amendment

Copy: CCGD8(m), MSC, G-MSO, Manager, NVDC

## Marine Safety Manual Amendment

### GRANDFATHER PROVISIONS FOR OFFSHORE SUPPLY VESSELS

APPLICABILITY: Coast Guard regulations establish minimum standards for vessels generally based upon the principal purpose of the vessel. New regulations, as well as revisions to existing regulations, are intended to advance the safety of the vessels and or the activities particular to the vessel's service. The inspection of OSVs, however, are unique due to the provisions of public law 96-378. Under 46 U.S.C. 3302(h), an OSV certificated and operating on January 1, 1979, is subject to an inspection standard or requirement only if the standard or requirement could have been prescribed under authority existing under law on October 5, 1980. The Coast Guard recognizes this statute as a grandfathering provision intended specifically for OSVs which were certificated under 46 CFR Subchapter I or T when Public Law 96-378 was passed. At that time, law makers envisioned that implementing regulations specifically designed to address the unique service requirements of an OSV would be published in the near future. In reality, the interim guidance of NVICs 8-81, change 1 to 8-81, and 8-91 were used for inspection purposes up to the effective date of the 46 CFR Subchapter L interim final rule, March 15, 1996. Therefore, existing OSVs which had been previously inspected, may be inspected for recertification in accordance with NVIC 8-91 under the subchapter of their last Certificate of Inspection, 46 CFR Subchapter I or T, provided it meets each of the following limitations:

- (a) The vessel was contracted for before March 15, 1996;
- (b) Sufficient evidence exists that the vessel had been *previously* certificated as an OSV, under 46 CFR Subchapter I, or T, in accordance with NVIC 8-81, 8-81 change 1, or NVIC 8-91;

A copy of the initial Certificate of Inspection (COI), or a subsequent COI indicating the service of the vessel or its inspection subchapter is needed. This does not include any vessel which was an "existing OSV" inspected under public law 96-378 which is 20 years or older. Valid documentation of the vessels previous certification is critical. It allows the Officer in Charge, Marine Inspection (OCMI) to determine if the vessel met the 46 CFR Subchapter I requirements of the time. This initial determination rests with the OCMI. NVIC 8-91 will no longer be used for initial inspections of existing vessels. Owners of uninspected vessels or those vessels which otherwise fall within the definition of a "new" vessel for the purposes of Subchapter L must comply with 46 CFR Subchapter L. Conversely, as stated in NVIC 8-91, existing vessels which were previously certificated in accordance with the NVIC may remain inspected, or return to service as an OSV, for the life of the vessel

- (c) The vessel has not undergone any change from the time of its last inspection for certification which would constitute a major conversion. In order to retain "grandfathered" provisions for certification under Subchapter I or T in accordance with NVIC 8-91, any alterations to the vessel must not change the convention (ITC) gross tonnage of the vessel more than 5%. Additionally, physical changes not affecting tonnage must not constitute a major conversion, as determined by the Marine Safety Center.

## Marine Safety Manual Amendment

### GRANDFATHER PROVISIONS FOR OFFSHORE SUPPLY VESSELS (continued)

This grandfathering provision does not relieve the vessel from meeting Subchapter I or T requirements which would have been required had the vessel remained in OSV service. For example, another interim rule, 46 CFR part 30 et al. [61 FR 25272], commonly referred to as Subchapter W, implemented lifesaving equipment and arrangement requirements which apply to all U.S. flag OSVs. Depending upon the interval since its last Coast Guard structural inspection, the OSV may be required to undergo internal structural and/or drydock examinations prior to certification.

**TONNAGE MEASUREMENT** Alterations which change the convention gross tonnage by more than 5%, will require vessel remeasurement and result in the loss of any tonnage grandfathering provisions for applying SOLAS, STCW, and MARPOL. 46 CFR 69 Subpart A requires that owners report to an authorized measurement organization, their intent to structurally alter a vessel or change the use of any space within a vessel. Refer to NVIC 11-93 with changes, for specific tonnage remeasurement and grandfathering criteria.

**ALTERATIONS NOT CONSTITUTING A MAJOR CONVERSION** In cases where grandfathered OSVs undergo alterations or upgrades to the equipment or systems which do not constitute a major conversion, the alteration or upgraded system or equipment will be required to comply with the pertinent regulations of 46 CFR Subchapter L.

**INITIAL INSPECTION FOR OSV SERVICE** Regarding previously inspected OSVs which change, or have changed, to freight vessel service under Subchapter I, the Coast Guard has held the position that this change in service alone does not equate to a change in vessel type for the purposes of a major conversion determination under 46 USC 2101-14a. Here, the term previously inspected OSVs refers to vessels contracted for prior to March 15, 1996, and which had been certificated under Subchapter I. The converse is not true however. A certificated vessel in freight ship service which had been contracted for prior to March 15, 1996, and *had not been previously certificated as an OSV*, which changes service to OSV would be subject to an initial inspection under 46 CFR Subchapter L. Generally, an OSV is considered a freight ship engaged in a specific segment of carrying freight for hire in support of offshore mineral and oil exploitation. However, the stability and design requirements of an OSV certificated under Subchapter L are more stringent and complex in comparison to those for a freight ship certificated under Subchapter I. Similarly, a vessel certificated as a small passenger vessel under Subchapter T (not an OSV under T) which changes service to OSV is considered changing vessel type (under the definition for major modification) and would be subject to an initial inspection under 46 CFR Subchapter L as a new OSV. Consequently, other existing vessels which had not been previously inspected for OSV service, will be required to comply with Subchapter L as new OSVs.

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